

Attachment D

- 1. Describe your government's proposed Energy Efficiency and Conservation Strategy. Provide a concise summary of your measureable goals and objectives, which should be aligned with the defined purposes and eligible activities of the EECBG Program. These goals and objectives should be comprehensive and maximize benefits community-wide. Provide a schedule or timetable for major milestones. If your government has an existing energy, climate, or other related strategy please describe how these strategies relate to each other.**

The City of Bellingham's commitment to energy reduction and climate protection is well documented. Activities such as the signing of the Mayors Climate Protection Initiative, 100% Green Power purchase, adoption of municipal LEED standards, passage of the Hybrid Vehicle Conversion Policy, and success of the Towards Zero Waste program are highlights of our community efforts to this end. The City is working with ICLEI's Cities for Climate Protection Campaign to shape our climate protection efforts, beginning with an emissions inventory and targeted reduction goals and continuing with the development of a Climate Action Plan (CAP).

This CAP supports the City's comprehensive Energy Efficiency Conservation Strategy (EECS) and provides an efficient and systematic approach to developing and implementing an EECS specifically related to the funding provided by the EECBG Program. The City's proposed use of EECBG funds will assist us in accomplishing the following goals outlined in the CAP:

- 1) Reduce greenhouse gas emissions from municipal operations by 64% from 2000 levels by 2012; and
- 2) Reduce greenhouse gas emissions from community measures by 7% from 2000 levels by 2012.

GOALS AND OBJECTIVES

Goal 1: Reduce greenhouse gas emissions for municipal operations by 64% from 2000 levels by 2012.

Objective 1A: Develop a comprehensive Energy Conservation Strategy and implement the most cost effective energy efficiency measures.

Eligible Activity: Energy Efficiency Retrofits

Goal 2: Reduce greenhouse gas emissions from community measures by 7% from 2000 levels by 2012.

Objective 2A: Develop a community-wide program to provide access to financing and financial incentives for residential and commercial energy efficiency improvements.

Eligible Activities: Financial Incentive Programs and Energy Efficiency Retrofits

Objective 2B: Review and implement building codes to remove current barriers to and promote energy efficient building construction in the private sector.

Eligible Activity: Building Codes and Inspections

Objective 2C: Develop Urban Village master plans, development regulations and incentives to promote energy efficient land use development that supports alternative modes of transportation other than the automobile to reduce fossil fuel emissions.

Eligible Activity: Development and Implementation of Transportation Programs

MAJOR MILESTONES

Phase I: All EECBG activities launched – Within 6 months of the effective award date
Phase II: EECBG funds obligated/committed – Within 18 months of the award date
Phase III: EECBG funds expended – Within 36 months of the effective award date

SUMMARY OF OUTCOMES (See Estimated Benefits Calculator for breakdown)

Jobs Created or Retained – 8.6

Proposed Energy Saved – 4,991,095 (kWh)

GHG Emissions Reduced – 2828 (metric tons CO₂)

(Note: Actual outcomes may differ from estimates derived from the calculator provided. For example, energy savings will include natural gas which not included in the calculator. Furthermore, the Financial Incentives Category estimates are double the kWh as the Retrofit Category. We are using the Financial Incentive Program for Retrofits.)

2. Describe your government’s proposed implementation plan for the use of EECBG Program funds to assist you in achieving the goals and objectives outlined in the strategy describe in question #1. Your description should include a summary of the activities submitted on your activity worksheets, and how each activity supports one or more of your strategy’s goals/objectives.

The following is a list of our proposed activities which will implement the City’s goals and objectives outlined in our response to Question 1.

A. Municipal Facility Energy Conservation (MFEC) Program – This project will include development of a comprehensive Energy Conservation Strategy for City facilities in order to prioritize funding for energy efficiency projects. EECBG funds will be used to employ an energy conservation coordinator and implement energy-saving measures that will have the most impact on reducing energy consumption.

Supports Goal 1, Objective 1A

Milestones: Energy Conservation Strategy Complete, 1st Quarter 2010
Capital project defined and bid, 2nd Quarter 2010
2010 Retrofits Complete (EECBG funded), 1st quarter 2011
2011 Retrofits Complete (Non-EECBG), 4th Quarter 2011

B. Energy Efficiency Community Challenge – The City is partnering with numerous local agencies and non-profit organizations to promote community-wide energy efficiency improvements through the Energy Efficiency Community Challenge. This program will offer resources for energy efficient improvements to commercial and residential facilities; reduce barriers to implementing energy efficiency technology, train a workforce to implement building improvements; and raise awareness of energy-conservation opportunities through social marketing. The EECBG funds will be used to develop the program and create a financing mechanism, which will leverage private investment from local financial institution partners for energy efficiency projects. This mechanism will help community members to overcome the first-cost barriers of energy efficiency investing.

Supports Goal 2, Objective 2A

Milestones: Create Loan Loss Reserve Fund and Launch Program, 4th Quarter 2010

Complete retrofits utilizing 100% of financial incentive program funds, 4th Quarter 2012

C. Green Code Adoption – The International Code Council has approved a National Green Building Standard (ICC-700) for residential construction. This building code includes provisions for construction of smaller, more energy-efficient homes and contains regulations that are consistent with the other International codes currently in use by the City of Bellingham. EECEBG funds will allow the City to review and analyze codes that are suitable for local adoption and approval through the standard legislative process. EECEBG funds will be used to eliminate barriers to implementing energy efficient measures and provide greater predictability of the permit review process.

Supports Goal 2, Objective 2B

Milestones: Review and Analyze Code, 2nd Quarter 2010
City Council Action, 3rd Quarter 2010
Communications Materials, 4th Quarter 2010

D. Energy Efficient Land Use Planning – The City’s primary growth strategy is to establish a series of compact “urban villages” to promote infill and community development. Urban villages are high-density mixed-use neighborhoods that promote a multitude of transportation options besides the automobile and provide amenities that allow residents to live, work and recreate in close proximity. EECEBG funds will allow the City to continue developing master plans and development regulations that support the creation of urban villages and emphasize connection with local high-frequency transit systems.

Supports Goal 2, Objective 2C

Milestones: Project area(s) defined, 1st Quarter 2010
Public process completed, 1st Quarter 2011
City Council Action by December 2011

3. Describe how your government is taking into account the proposed implementation plans and activities for use of funds by adjacent units of local government that are grant recipients under the Program (response not mandatory for Indian Tribes).

City staff has met regularly with representatives from Whatcom County, the Northwest Economic Development Agency, and local utility representatives to stay informed of their use of funds and explore opportunities to support each other’s programs. The County and City are partners in the Energy Efficiency Community Challenge. Each organization is contributing EECEBG dollars to leverage private financing, marketing, and public support of the Program’s services. The City and County are coordinating to include the participation of smaller, non-entitlement cities. The City’s proposed Energy Efficiency Community Challenge program is utilizing and working in concert with other federal stimulus programs, including the Opportunity Council’s Weatherization Program and the City’s Community Development Block Grant (ARRA) funds.

4. Describe how your government will coordinate and share information with the state in which you are located regarding activities carried out with grant funds to maximize energy efficiency and conservation benefits (response not mandatory for Indian Tribes).

City staff has been in communication with the Washington State Department of Community, Trade, and Economic Development (CTED) regarding the State Energy Program and EECEBG funds to ensure the City has a coordinated strategy. City representatives have attended workshops and webinars sponsored by CTED. The State is requesting that direct recipients of EECEBG funds provide the following:

- A copy of their Energy Efficiency and Conservation Strategy, once it has been approved by U.S. Department of Energy;
- A copy of their quarterly reports to DOE; and
- Any success stories as a result of investments of EECBG funds the jurisdiction would like to share.

The City will comply with this request and continue to monitor the CTED website and communicate with staff to stay informed of the status of the State application and any future requests for monitoring or reporting.

5. Describe how this plan has been designed to ensure that it sustains benefits beyond the EECBG funding period.

Each activity described in Question 2 will continue to provide energy-saving benefits long after the EECBG funding period ends.

The Municipal Facility Energy Conservation (MFEC) Program will use EECBG funds and other monies previously budgeted by the City for development of an Energy Conservation Strategy and implementation of energy efficiency capital improvement projects. Creating a prioritized list of recommended energy upgrades will allow the City to most effectively invest these funds into the projects that will reap the most energy and financial savings. Implementation of these projects will save the City money over the long-term as energy costs are reduced. The City may be able to use expanded bonding capacity to fund further facility upgrades; a prioritized list of projects will be crucial to justify this effort.

The Community Energy Efficiency Challenge is a pilot program that is designed to 1) be duplicated in other communities 2) expand, if significant additional resources are secured and 3) and become financially sustainable after pilot grants and stimulus resources are invested. The financing mechanism can continue to leverage resources of financial institutions to make EE loans after the funding period. Achieving the substantial reductions in community energy consumption necessary to achieve long term carbon reduction goals will require ongoing efforts to upgrade the majority of buildings in Whatcom County. Modified residential and commercial facilities will be energy efficient for years to come and their savings will motivate peers to action as well.

Another important component of the Community Energy Efficiency Challenge is the associated education, training and community outreach component, which will have a long-lasting impact on the Bellingham citizenry including strength of the workforce and awareness of climate change action.

Adoption of a localized Green Building Code will put into place a regulatory system that is predictable and easy to update along with the City's other building codes. This will ensure the City of Bellingham stays up to date on the latest Green Building technology as this Green Building Code is updated over the years. The buildings constructed under this code will save energy and reduce emissions over their lifespan. This program is also an opportunity to educate builders about energy-saving measures they can implement into future projects.

Energy Efficient Land Use Planning efforts, such as the establishment of additional urban villages and establishing a transit-oriented land use policy, will create regulatory land use zones and associated development standards extending far beyond the EECBG funding period. These plans and regulations will encourage and incentivize higher density growth where pedestrian, bicycle and transit facilities are provided ultimately reducing automobile trips over time.

6. The President has made it clear that every taxpayer dollar spent on our economic recovery must be subject to unprecedented levels of transparency and accountability. Describe the auditing or monitoring procedures currently in place or that will be in place (by what date), to ensure funds are used for authorized purposes and every step is taken to prevent instances of fraud, waste, error, and abuse.

The City of Bellingham is an experienced federal grant administrator. For the 2008 calendar year the City managed 32 direct and indirect (pass-through) federal grants, with eligible grant expenses of 5.5 million dollars. U.S. Grantor Departments included HUD, Justice, Interior, Transportation, Homeland Security, and Education. The City is subject to an annual Single Audit, in accordance with OMB Circular A-133, performed by the Washington State Auditor's Office (SAO).

Within the City, specific departments manage the grants, while the Finance Department oversees financial reporting. For at least the last five years the SAO has issued unqualified opinions on the Planning and Community Development Department's compliance with requirements applicable to its major federal programs, including the Community Development Block Grant program, and reported no findings which were required to be disclosed under OMB A-133. In addition, the SAO has noted no material weaknesses involving the internal control over financial reporting and operations.

Current auditing and monitoring procedures will allow the City to meet or exceed the authorization and tracking requirements. First, an official budget will be circulated to relevant staff and monitored by the grant's Program Manager. All proposed project obligations will be reviewed by the Project Manager for compliance with grant regulations and the official budget. Third, all expenditures and revenues from the grant and any matching funds will be assigned a Job Cost Code unique to EECBG activities. Transactions will be reviewed and signed by at least two people to ensure against errors or fraud. All activity costs will be assigned a Purchase Order, with PO transactions monitored and approved by the City's Purchasing and Finance Departments. Finally, monthly Job Cost reports will be reviewed by budget and accounting staff for errors and reconciled to the General Ledger. All grant-related financial documentation will be maintained in centralized files for review by outside auditors.

All contracts and sub-recipient agreements will require adherence to relevant federal requirements (ARRA and EECBG) and sub-recipients will be monitored to ensure compliance.

The City assures that all laborers and mechanics on projects funded directly or assisted in whole or part by and through funding with the Act are paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by subchapter IV of Chapter 31 of title 40, United States code (Davis-Bacon Act).

Additionally, the City will create a web page detailing the Federal dollars that have been received under the EECBG and how they will be used to support community-wide energy efficiency upgrades.